

Borrowers—Grantors—herein refers to Patrick E. Smith and Kimberly Dawn Anderson, as tenants in  
by the entirety with full rights of survivorship and not as tenants in common

BK 1189 PG 0351

Trustee: Pat Taylor

Licensed Lender—Beneficiary—Corporation—herein refers to Associates Financial Services Company of Tennessee, Inc.

3443 Austin Peay Hwy.

Memphis,

Tennessee

Zip) 38128

Agreed rate of charge shall not exceed these rates

Amount Financed

36% per annum for the portion of the unpaid balance of the amount financed that  
is not greater than \$1,000.00;

(Amount of Loan) \$ 64264.74

3.3% per annum for the portion of the unpaid balance of the amount financed in  
excess of \$1,000.00 but not greater than \$2,500.00.

Finance Charge

(Precomputed

Charge)

\$ 82734.41

24% per annum for the portion of the unpaid balance of the amount financed in  
excess of \$2,500.00 but not greater than \$5,000.00;

14% per annum for the portion of the unpaid balance of the amount financed in  
excess of \$5,000.00.

Total of Payments \$ 146999.15

#### WITNESSETH:

THAT FOR AND IN CONSIDERATION of \$1.00 cash in hand paid, the receipt of which is hereby acknowledged and for the purpose of  
securing the payment of the loan agreement hereinafter described, any renewal thereof, the performance of the covenants and agreements hereinafter  
set out, the Grantors hereby grant, bargain, sell and convey unto the Trustee, and his successors in Trust, the following described real estate  
situated in the city or town of Horn Lake, Judicial District of DeSoto County, State of  
Mississippi, more particularly described as follows, to wit:

#### Tract I:

Part of the east half of Section 2, Township 2, Range 8 West, more particularly  
described as beginning at the northeast corner of a lot conveyed by E. E.  
Thvett, et ux, to H. A. Watson, Jr. et al, on September 18, 1958 (which point  
is north 82 degrees east 121 feet from the northeast corner of the lot  
conveyed to E. L. Morris, et ux, by deed of record in Book 45, Page 198);  
thence in a southerly direction with the east line of the Watson lot 157 feet  
to a stake in the north line of a gravel road (50 feet wide); thence in an  
easterly direction with the north line of said gravel road 100 feet to a  
stake; thence north 170 feet more or less to a stake in the north line of the  
Thvett subdivision; thence south 82 degrees west with the north line of said  
subdivision to the point of beginning, and all improvements thereon. Lying in  
the Northeast Quarter.

#### Tract II:

Part of the east half of Section 2, Township 2, Range 8 West, more  
particularly described as beginning at the northeast corner of that certain  
lot conveyed by E. E. Thvett, et ux, to Robert J. Smith, et ux, on November  
14, 1958 by deed recorded in Book 45, Page 200 of the land deed records of  
said county; thence in a southerly direction with the east line of said Smith  
lot 170 feet more or less to a stake in the north line of a gravel road (50  
feet wide); thence east with the north line of said gravel road 10 feet to a  
stake; thence north parallel with the east line of said Smith lot 170 feet  
more or less to a stake in the north line of the Thvett subdivision; thence  
in a westerly direction 10 feet to the point of beginning, and being a strip  
10 feet wide adjacent to and immediately east of the lot now owned by the  
Grantees. Lying in the Northeast Quarter.

This being the same property conveyed to Patrick E. Smith and Kimberly Dawn  
Anderson, as tenants by the entirety with full rights of survivorship and not  
as tenants in common, from Patricia L. Smith Whitten and Anna Belle Smith,  
being one and the same person as Anna Bell Smith, by deed dated March 26,  
1998, recorded March 30, 1998 in Book 330, Page 737, recorded in the Office of  
the Chancery Clerk of DeSoto County, Mississippi.

Parcel No: 2081-0200.0-00017.00

Property also known as: 1308 Haywood Drive, Horn Lake, Mississippi

STATE MS.-DE SOTO CO.  
FILED

FEB 18 3 25 PM '00

BK 1189 PG 351  
W.F. FAY, CLK.

Including also fixtures now attached to the real estate herein described.

To have and to hold said real estate to the above named trustee, and his successors in trust, forever. Grantors covenant that we are lawfully  
seized of said property, have a good right to convey it, and that the same is unencumbered, except (if none so state).

Grantors further covenant and bind themselves, their heirs and representatives, to warrant and defend the title to said property, to the above  
named Trustee and his successors in trust, and his assigns, forever, against the lawful claims of all persons whomsoever.

Grantors, jointly and severally, as to the real estate described above specifically waive all rights of Homestead exemption, Dower and Curtesy  
rights, appraisement, redemption, equity of redemption, and all other similar rights or exemptions and benefit now in effect or hereafter enacted,  
in favor of the Grantors, now or hereafter existing in the State where the real estate is located and the State of the Resident, now or at anytime  
hereafter, of the Grantors.

146-17-4579

This conveyance is made in Trust for the following uses in Trust and for no other purpose, to wit: (1) To secure and make certain the prompt  
and faithful payment of a loan agreement of even date herewith in the face amount as the total of payments stated above executed by Grantors  
and payable to corporation in 181 consecutive monthly installments: 1 at \$ 812.15 followed by 180 at  
\$ 812.15 followed by N/A at \$ N/A, with the first installment due the 22nd day of March

2000, and thereafter an installment on the same day of each succeeding month until paid in full; and (2) Any  
renewals or extensions of the aforementioned note or any part or installment thereof; and (3) To secure all other obligations of the Grantors hereunder.

If the above described note is further secured by a lien on other property, real, personal or mixed, Corporation shall not be compelled to exhaust such other security before requesting that the Trustee proceed hereunder.

Grantors warrant and covenant that all payments, conditions and provisions made and provided for in any other lien, if any, which is superior or prior to the one created herein, shall be performed promptly when due; and if Grantors suffer or permit default in any other such lien, or if the said real estate is sold, agreed to be sold, conveyed, assigned or alienated by said Grantors, the Corporation may, at its option, immediately declare the indebtedness secured hereunder, due and payable, whether due according to its face or not, and commence foreclosure proceedings. If default be made under any prior lien, the Corporation may purchase or pay in full said prior lien or may, as respects said prior lien, cure, in any manner permitted by the prior holder, said default, and all sums so expended by the Corporation shall be secured hereunder or under said prior lien; provided, however, such action by the Corporation shall not be construed, for the purpose of this instrument, as satisfying the default of the Grantors hereunder or thereunder.

Grantors agree to pay all taxes and assessments levied on the within described real estate when the same becomes due and payable, and promptly deliver the official receipts therefor to the Corporation or a certificate signed by each taxing official to whom any said taxes or assessments shall be payable, that all such taxes and assessments due to be paid such official have been paid for the current year.

Grantors agree to keep all buildings and improvements on said real estate and all equipment attached to or used in connection with the real estate herein encumbered, insured against loss or damage by fire and windstorm in such sums, with insurers, and in an amount approved by the Corporation as further security to said mortgage debt, with mortgage clause in form satisfactory to the Corporation, and assign and deliver to said Corporation, as issued, with all premiums thereon paid in full, all insurance policies upon said property. In the event of loss or damage to the property herein conveyed either by fire or windstorm, it is agreed that the amount of loss or damage recoverable under said policy or policies of insurance shall be paid to said Corporation and the said Corporation is hereby empowered in the name of the Grantors or assigns to give a full acquittal for the amount paid and such amount shall be credited to the installments to become due on the note in inverse order, that is satisfying the final maturing installments first and if there be an excess, such excess shall be paid by the Corporation to the Grantors or assigns.

It is agreed that if default be made in the payment of any of the aforesaid taxes, assessments, or prior liens, or in procuring and maintaining of insurance as above covenanted or in the event of the failure of the Grantors to keep the buildings and improvements on said real estate and those to be erected thereon, in good repair, said corporation, its successors and assigns, may pay such taxes, assessments, or prior lien or any part thereof, effect such insurance, and make such repairs as in its discretion it may deem necessary for the proper preservation thereof; and the sums so paid shall be secured hereunder, payable forthwith, without notice or demand, with interest until paid, or by agreement the same may be made payable in future installments.

Said Grantors further agree to pay on demand to the Corporation or the Corporation may, at its option, add to the balance then due, all costs, including court costs and attorney's fees, paid or incurred by the Corporation in prosecuting, defending, or intervening in any legal or equitable proceedings wherein any of the rights created by this Deed of Trust are, in the sole judgment of the Corporation, jeopardized or in issue.

NOW, THEREFORE, if Grantors shall pay promptly when due, according to the terms of said loan agreement and this instrument, all sums required of said Grantors and promptly perform all other provisions and conditions hereof, then this conveyance shall be null and void and shall be released at Grantors expense. But if Grantors fail or default in the payment, when due, of any installments under said loan agreement, or in payment of the aforesaid taxes and assessments prior to the same becoming delinquent, or in the furnishing of insurance or paying the premiums therefor, or in the payment, when due, of any sums required under any prior lien, or in the prompt performance of any covenant or provision of any prior lien, or in the prompt payment of any other sums required hereunder or prompt performance of any other covenant or provisions hereof when the same is payable or the time of performance has arrived as herein provided then, in any said events, said loan agreement and all other indebtedness secured hereby shall, without notice, at the option of Corporation, its successors or assigns, become immediately due and payable, whether due according to its face or not, and this conveyance shall remain in full force and effect and said Trustee or any successor Trustee is hereby authorized and empowered to proceed to sell the real estate hereinabove described or a sufficiency thereof to satisfy the total debt secured hereby then owing and unpaid. The sale of said real estate shall be made within legal hours, at public outcry, to the highest bidder for cash, after the Trustee has given notice of the time, place and terms of said sale in a newspaper published in the county wherein the property is situated, for three consecutive weeks next preceding the date of said sale and by posting a notice thereof for said period of time at the county courthouse. The acting Trustee may sell said real estate without taking possession of the same, and is hereby authorized to appoint an agent and auctioneer to make such sale in his absence, which sale shall be valid as if made by said Trustee. Any sale made pursuant hereto shall be free from the right of redemption, equity of redemption, Homestead and Dower exemptions, and all other rights and exemptions of every kind in the said real estate which are expressly waived and the said acting Trustee is authorized to make a deed to the purchaser, which Deed shall be conclusive of the regularity of all of the proceedings hereunder. The Corporation, its successors or assigns, are expressly authorized to bid and become the purchaser at any sale hereunder. The Trustee, or any successor Trustee, may at any time after any default hereunder, enter and take possession of said real estate and shall only account for net rents received by him.

The Grantors waive the provisions of Chapter 248, Laws of Mississippi of 1934 and Laws amendatory hereof, if any, as far as said section restricts the right of the Trustee to offer at sale more than 160 acres at a time, and the Trustee may offer the property herein conveyed as a whole regardless of the manner in which it may be described, or if the property is described in separate tracts or parcels, the Trustee may sell each tract or parcel separately or in groups of tracts or parcels at successive sales or sell said property all together. If the real estate conveyed herein should be situated in two or more counties or in two judicial districts of the same county, then the Trustee shall have full power, in case he is directed to foreclose hereunder, to select in which county or judicial district the sale of all the said real estate shall be made and his selection shall be binding upon the Grantors and Corporation and all persons claiming through or under them, whether by contract or by law. The Trustee shall have full power to fix the day, time, terms and place of sale and shall also have full power to conduct any sale hereunder through an agent duly appointed by him for that purpose, but said appointment or agent need not be recorded.

The Trustee acting hereunder shall distribute the proceeds of any sale made by him as follows: first, to the cost of executing this Trust, including a reasonable fee for himself and his attorney; then, second, to the repayment of any sums advanced for payment of taxes and assessments, insurance, prior liens or any part thereof, and repairs and interest thereon; then, third, to the payment of the indebtednesses secured hereby; and then, fourth, the remaining balance, if any, to the Grantors, their heirs or assigns.

The Corporation is hereby authorized, at any time, to appoint a substitute Trustee to act instead of the Trustee named herein, and to appoint other substitute Trustees successively and each such substitute Trustee shall succeed to all the rights and powers of the first Trustee named herein.

It is further agreed by said Grantors that said Trustee, or his successors, may execute the power of sale herein and other powers and rights without giving bond or taking oath.

In the event of a sale of said property under and by virtue of this Trust, the said Grantors and all persons holding under them shall be and become the tenants at will of the purchaser of the same, from and after the execution and deliver of a deed to such purchaser, said tenancy to be terminated at the option of said purchaser without notice, and Grantors and all persons holding under or through Grantors removed by process as upon a forcible and unlawful detainer suit, and Grantors agree to pay to said purchaser the reasonable rental value of said real estate from and after said sale, and a reasonable attorney's fee, if an attorney is employed to enforce the provisions hereof.

The Corporation has the option to demand that the balance due on the loan secured by this instrument be paid in full on the third anniversary date of the loan date and annually on each subsequent anniversary date if the loan has a fixed interest rate. If this option is exercised, Grantors will be given written notice of the election at least 90 days before payment in full is due. If payment is not made when due, Corporation has the right to exercise any remedies permitted under this instrument.

In the event the ownership of the real estate hereby conveyed, or any part thereof, becomes vested in a person other than the Grantors, the Corporation may, without notice to the Grantors, deal with such successor or successors in interest with reference to this instrument and the debt hereby secured, in the same manner as with the Grantors without in any way violating or discharging the Grantor's liability hereunder or upon the debt hereby secured. No sale of the premises hereby conveyed and no forbearance on the part of the Corporation and no extension of the time for the payment of the debt hereby secured shall operate to release, discharge, modify, change, or effect the original liability of the Grantors either in whole or in part.

In the event the premises or any part thereof are taken under the power of eminent domain, the entire award shall be paid to the Corporation and credited to the installments to become due on the note in inverse order, that is satisfying the final maturing installments first, and the Corporation is hereby empowered in the name of the Grantors or the Grantor's assigns to receive and give acquittance for any such award or judgment, whether it be joint or several.

It is further specifically agreed that time is of the essence of this contract and that no delay in enforcing any obligation hereunder or of the obligation secured hereby shall at any time hereafter be held to be a waiver of the terms hereof, or of any of the instruments secured hereby.

If less than two joins in the execution hereof as Grantors, or any be of the feminine sex, the pronouns and relative words herein shall be read as if written in singular or feminine, respectively.

The covenants herein contained shall bind, and the benefits and advantages inure to, the respective heirs, successors and assigns of the parties named.

IN WITNESS WHEREOF, we have hereunto signed our names this 15th day of February, 2000

Return To: Real Estate Loan Services  
5727 Summer Trees, Suite 5  
Memphis, TN 38134

Patrick E. Smith  
Patrick E. Smith

Kimberly Dawn Anderson  
Kimberly Dawn Anderson

#### ACKNOWLEDGEMENT BY INDIVIDUAL

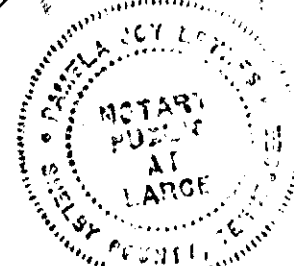
STATE OF Tennessee COUNTY OF Shelby, SS:

Personally appeared before me, the undersigned authority in and for the said county and state on this 15th day of February, 2000 within my jurisdiction, the within named Patrick E. Smith and Kimberly Dawn Anderson

who acknowledged that (he) (she) (they) executed the above and foregoing instrument.

Camela Joy Ingram  
Notary Public

My commission expires:  
My Commission Expires  
October 15, 2001



(affix official seal, if applicable)

#### ACKNOWLEDGEMENT BY CORPORATION

STATE OF MISSISSIPPI, COUNTY OF \_\_\_\_\_, SS:

Personally appeared before me, the undersigned authority in and for the said county and state, on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, within my jurisdiction, the within named \_\_\_\_\_, who acknowledged (he) (she) is \_\_\_\_\_ of \_\_\_\_\_ corporation, and that for and on behalf of the said corporation, and as its act and deed (he) (she) executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

My commission expires:

Notary Public

(affix official seal, if applicable)